

**Testimony Submitted for the Record
United States House of Representatives
Committee on Ways and Means
Hearing on Tax Reform and Charitable Contributions
Submitted on February 13, 2013**

**Submitted by
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Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Goodwill Industries International, Inc., I appreciate this opportunity to submit written testimony on the importance of the charitable giving incentive.

Goodwill Industries® is comprised of 158 independent, community-based Goodwill® agencies in the United States. Collectively, Goodwill's network of local agencies provided employment training, job placement services and other community services to 4.2 million people in 2011. In addition, 190,000 people obtained meaningful employment as a result of Goodwill career services programs. Collectively, these employees earned \$2.95 billion in salaries and wages and contribute to their communities as productive, taxpaying citizens.

We anticipate having served over 5 million people last year and will surely continue to see an increased need in the number of people with employment challenges requiring services. None of these services can be provided without the generous support of our donors, as they play a vital role in Goodwill's ability to fulfill its mission of helping people go to work. To pay for its programs, Goodwill sells donated goods and other household items online and in over 2,700 donated goods retail stores around the country. Goodwill has earned the trust of 79 million donors annually.

Nonprofits are Being Asked to do More with Less

As Congress tries to reduce the deficit, proposals which threaten the charitable giving incentive have been put forth several times. Goodwill understands that Congress and the Administration have the difficult job of addressing our country's fiscal situation. As you and your colleagues work towards a solution balancing cuts while raising revenues, it should be done in an equitable and fair manner that doesn't harm the nonprofit sector or the vulnerable population that Goodwill is privileged to serve. In the face of sequestration, high unemployment, a great skills gap and increased need – now is not the time to restrict an important incentive for people to give back to their communities.

The Charitable Giving Incentive is Unique

The charitable giving incentive is a fair and efficient way for the government to spur investment in communities whose further development will be the backbone of our

continued economic recovery. Capping or otherwise limiting the charitable deduction would severely undermine its incentive effect, likely further reducing charitable giving.

The charitable giving incentive is unique. It is utilized by many and while the individual receives a partial benefit in the form of a deduction, a maximum benefit is provided to the nonprofit, and in turn the community and people they serve. Goodwill sees this cycle first-hand as our model of turning donations into jobs provide individuals with the dignity of work, strengthen families, and build vibrant communities.

The Nonprofit Sector as a Vital Part of Our Society

Local Goodwill agencies are part of the richly diverse charitable and philanthropic community of over 1.2 million organizations working every day to provide programs and services that benefit individuals, families and communities all across America. The nonprofit sector is also an important part of our economy, employing 10% of the U.S. workforce and generating \$1.3 trillion in economic activity each year. Goodwill alone has over 105,000 employees.

As nonprofit organizations like Goodwill continue to meet increased demand for services while receiving less state and federal support, Congress should seek to encourage everyone, regardless of income, to give more to charitable organizations and protect the most vulnerable in our society.

Conclusion

Thank you for taking the time to consider these views. As our nation recovers from this economic downturn, Goodwill stands ready to leverage its existing infrastructure to supplement government programs that enhance the dignity and quality of life of individuals, families, and communities by eliminating barriers to opportunity and helping people in need to reach their fullest potential through the power of work. We urge Congress to remember that Goodwill along with many other nonprofits are providing services which keep people off of public assistance and create pathways out of poverty. This would not be possible if it weren't for the generosity of Americans, who donate hundreds of billions of dollars each year to support charitable causes important to them and their communities.